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DCI/IC 77-2399

1 DEC 1977

MEMORANDUM FOR: Director of Central Intelligence

FROM: John N. McMahon
Acting Deputy to the DCI for
the Intelligence Community

SUBJECT: Report to the Senate Select Committee (Intelligence)
(SSCI) on Improving the Quality of Analysis

25X1

25X1 1. Action Requested: That you approve the subject report and sign its letter of transmittal to the SSCI.

25X1 2. Background:

a. The SSCI classified report on the FY 1978 NFIP budget requested a substantial number of studies be furnished the SSCI by November 1977. One such study was a report on steps to be taken to improve the quality of the Community's analytic work. The SSCI asked that the report cover objectives, goals and plans in sufficiently specific terms to enable an evaluation of actions requested in the FY 1979 budget. Twelve specific subjects were to be addressed:

- the balanced use of all sources of intelligence;
- the use of outside experts and contractors;
- the development of area specialists' programs;
- the utilization of clandestinely acquired data;
- the value and use of unclassified data;
- the role of libraries and reference facilities;
- the impact of security restrictions on access to data;
- improving analytic techniques, both quantitative and qualitative;
- the grade levels and promotion opportunities for analysts in each agency;

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- the role of adversary processes in improving the quality of products;
- the role of presentational techniques; and
- the use of products--particularly national intelligence estimates--by consumers.

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b. The requested report, together with a letter of transmittal for your signature, is attached.

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c. The report addresses all of the points of interest outlined in the SSCI request. However, in accordance with established policy, dollar figures relating to the report, as well as the twelve subjects of specific SSCI interest, were scrubbed out of the text, pending approval of the FY 1979 NFIP budget.

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d. Based on currently available data, your recommended NFIP budget includes approximately for actions which program managers perceive as furthering the goal of higher quality analysis. These actions are apportioned among various Consolidated Decision Unit Packages as follows:

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<u>Consolidated Decision Units</u>	<u>\$(K)</u>	<u>%</u>	<u>Total Budget</u>
Production			
Production Support			
ADP			
Other Support			
TOTALS			

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Thus, proposed actions to improve the quality of analysis account for approximately 22 percent of the total NFIP production, production support and ADP budget
 The major portion of the is concentrated in the following areas of SSCI interest:

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- Improving analytic techniques -

25X1

- Outside experts/contractors -

25X1

25X1 - Use of unclassified data/libraries/reference
facilities -

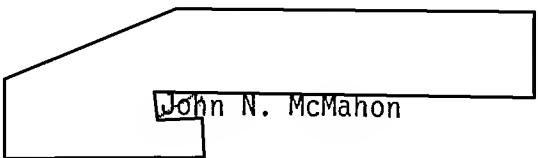
25X1 3. Staff Positions: The report was prepared by the IC Staff (OPEI) based on inputs provided by Community elements (NFAC, CIA/ORD, DIA, NSA, USA, USN, USAF, USMC, DOE, and State/INR) and other IC Staff offices. A draft of the report was circulated for comment (not concurrence) to the contributors. Their comments and modifications have been accommodated wherever possible in the report. No significant disagreements in substance have been voiced.

4. Recommendations:

25X1 a. That you review and approve the report and sign the letter of transmittal to the Chairman of the SSCI.

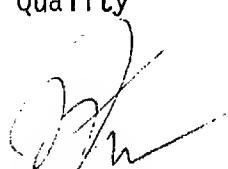
25X1 b. That, if you approve a, authorization be granted to provide an information copy to the House Permanent Select Committee on Intelligence.

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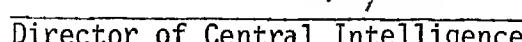

John N. McMahon

Attachments:

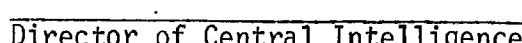
- 1 - Letter of transmittal to
the SSCI
- 2 - Report on Improving the Quality
of Analysis



APPROVED:


Director of Central Intelligence

DISAPPROVED:


Director of Central Intelligence

27 DEC 1977

DATE:

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